



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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Fifth District

June 1, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

This memorandum contains an update of State Budget actions taken by the Assembly and Senate Budget Committees on items of interest to the County.

### State Budget

Assembly and Senate Budget Committees completed their respective budget hearings on May 27, 2010, and will now reconcile their actions to prepare for the Budget Conference Committee which is anticipated to begin deliberations later this week. Last week, Senate President pro Tempore Darrell Steinberg announced that the Senate conferees will include: Denise Ducheny (D) - Chair, Mark Leno (D), Alan Lowenthal (D), Robert Dutton (R), and Bob Huff (R). The Assembly has not announced its conferees.

### Assembly Budget Subcommittee No. 1 on Health and Human Services

On May 27, 2010, the Subcommittee took action on the following items of interest to the County:

- **Mental Health Realignment Funds.** By a vote of 5 to 0, the Subcommittee rejected the Governor's May Revision proposal to redirect county mental health realignment funds to offset State General Fund costs for the Child Welfare

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Services and Food Stamp Programs. **This proposal would have resulted in an estimated County loss of \$195.0 million.**

- **Suspension of AB 3632 Program Mandate Payments.** By a vote of 4 to 2, the Subcommittee rejected the Governor's May Revision proposal to suspend AB 3632 mandate payments and restored \$52.0 million for the Program. **This proposal would have resulted in an estimated County loss of \$43.7 million.**
- **Safety Net Care Pool.** By a vote of 4 to 1, the Subcommittee adopted the Governor's January Budget proposal to reduce funding for the Safety Net Care Pool and South Los Angeles Preservation Fund by 10 percent. **The proposal will result in an estimated County loss of \$24.4 million.**
- **Medi-Cal Cost Containment Strategies.** By a vote of 4 to 1, the Subcommittee rejected the Governor's May Revision proposal to achieve \$523.0 million through various reductions to the Medi-Cal Program.

#### Senate Budget and Fiscal Review Committee

On May 27, 2010, the Committee took action on the following item of interest to the County:

- **Suspension of AB 3632 Program Mandate Payments.** By a vote of 8 to 2, the Committee rejected the Governor's May Revision proposal to suspend the AB 3632 mandate payments, and reduced funding by \$1.00. This action does not conform to the action taken by the Assembly Budget Subcommittee No. 1; therefore, this item will be heard in the Budget Conference Committee.

#### Assembly Budget Subcommittee No. 4 on State Administration

On May 26, 2010, the Subcommittee took action on the following items of interest to the County:

- **Local Custody of Felony Offenders.** By a vote of 3 to 1, the Subcommittee adopted the Governor's May Revision proposal to achieve \$243.8 million in State General Fund savings by modifying sentencing practices, which would allow specified non-serious, non-violent, and non-sex offenders convicted with felony sentences of three years or less to serve in county jails. The State would provide counties with approximately \$11,500 per offender for programs and services such as probation, drug court services and alternative custody. **The proposal would result in an estimated net County cost of \$96.4 million.**

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- **Local Probation Supervision of Juvenile Offenders.** By a vote of 3 to 1, the Subcommittee adopted the Governor's May Revision proposal to transfer State juvenile parolees to the county probation departments.

We will continue to keep you advised.

WTF:RA  
MR:VE:sb

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants